



General Assembly

Amendment

February Session, 2012

LCO No. 5599

HB0527105599SD0

Offered by:
SEN. FONFARA, 1st Dist.

To: Subst. House Bill No. **5271**

File No. 55

Cal. No. 459

"AN ACT CONCERNING THE SITING COUNCIL."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Section 16a-46h of the 2012 supplement to the general
4 statutes is repealed and the following is substituted in lieu thereof
5 (*Effective from passage*):

6 (a) Each electric, gas or heating fuel customer, regardless of heating
7 source, shall be assessed [the same] fees, charges, co-pays or other
8 similar terms to access any audits administered by the Home Energy
9 Solutions program [, provided the costs of subsidizing such audits to
10 ratepayers whose primary source of heat is not electricity or natural
11 gas shall not exceed five hundred thousand dollars per year] that
12 reflect the contributions made to the Energy Efficiency Fund by each
13 such customer's respective customer type, provided such fees, charges,
14 copays and other similar terms shall not exceed a total of ninety-nine
15 dollars for any such audit.

16 (b) After August 1, 2013, the costs of subsidizing such audits to
17 ratepayers whose primary source of heat is not electricity or natural
18 gas shall not exceed five hundred thousand dollars per year.

19 Sec. 502. Section 16-243v of the general statutes is amended by
20 adding subsection (k) as follows (*Effective from passage*):

21 (NEW) (k) (1) As used in this subsection:

22 (A) "Eligible residential customer" means any residential customer
23 of an electric distribution company, as defined in section 16-1, with an
24 ownership interest in such customer's dwelling; and

25 (B) "Program loan" means any loan approved by an electric
26 distribution company pursuant to this subsection that is funded by the
27 systems benefits charge as a program under the Connecticut electric
28 efficiency partner program established pursuant to this section.

29 (2) On or before July 1, 2012, each electric distribution company
30 shall establish and administer a residential customer heating furnace
31 and boiler and electric heating system equipment replacement and
32 augmentation program to assist eligible residential customers in
33 financing the replacement or augmentation of any heating furnace or
34 boiler or electric heating system equipment for any such customer's
35 dwelling or dwelling unit. On or before July 1, 2012, each such
36 company shall apply to the authority for initial funding of such
37 program. Each such company shall establish program requirements
38 necessary for approval of any loan issued pursuant to such program,
39 including requirements that:

40 (A) The total projected direct cost savings to any eligible residential
41 customer resulting from the replacement or augmentation of any
42 heating furnace, boiler or electric heating system equipment, or any
43 associated component of such electric heating system, including
44 ductless heat pumps, which shall be calculated on an annual basis
45 commencing from the month that such replacement or augmented
46 furnace, boiler or electric heating system equipment is projected to be

47 in service, shall be greater than the total cost of the financing over the
48 term of the program loan;

49 (B) The program loan shall not exceed ninety per cent of the total
50 installed cost of the replacement or augmented heating furnace, boiler
51 or electric heating system equipment;

52 (C) The term of any program loan is the lesser of (i) the simple
53 payback of the program loan plus two years, or (ii) twelve years,
54 provided for any eligible residential customer converting from electric
55 heating system equipment to a heating furnace or boiler the term of
56 any program loan may be not more than twenty years if such
57 conversion, as determined by such company, is more suitable than the
58 installation of ductless heat pumps;

59 (D) The efficiency rating of any replacement furnace, boiler or
60 electric heating system equipment financed pursuant to this subsection
61 shall meet or exceed federal Energy Star standards and each such
62 company shall inform each applicant of any incentive available to
63 defray the cost of equipment that exceeds such standards;

64 (E) Any program loan to an eligible residential customer converting
65 from electric heating equipment to a heating furnace or boiler may
66 include the cost of any infrastructure upgrades necessary for use of
67 such furnace or boiler, provided the total amount of such program
68 loan does not exceed twenty-five thousand dollars;

69 (F) Each applicant shall have a Home Energy Solutions or Home
70 Energy Solutions Income Eligible audit performed at such applicant's
71 home not more than twenty-four months prior to the approval of any
72 program loan, except such audit may be performed after the approval
73 of such loan if such applicant's heating system is not operational. Any
74 program loan may include the cost of the purchase and installation of
75 insulation recommended in such audit but shall not cover the cost of
76 any benefit or service available to such applicant for no charge through
77 the Home Energy Solutions or Home Energy Solutions Income Eligible
78 programs; and

79 (G) The total amount of new program loans and administrative
80 costs of the program shall not exceed thirty million dollars in any
81 calendar year.

82 (3) Any eligible residential customer may apply to the customer's
83 electric distribution company to participate in such program. Such
84 company shall only approve applications that meet the approved
85 program requirements established pursuant to subdivision (2) of this
86 subsection. Such company shall develop requirements for the credit
87 worthiness and eligibility of applicants to such program and shall
88 submit such requirements to the Commissioner of Energy and
89 Environmental Protection for approval prior to initiating any such
90 program. Such company shall seek to maximize, to the extent
91 practicable, participation in the program.

92 (4) Each eligible residential customer participating in such program
93 shall enter into a contract to repay the program loan through a
94 monthly charge on such customer's electric bill. Such program loan
95 repayment shall include the principal payment and the loan carrying
96 cost fee. Such carrying cost fee shall be one per cent of the total loan
97 amount. Any program loan repayment shall be credited to the systems
98 benefits charge. Any reasonable and prudent cost incurred by an
99 electric distribution company administering such program shall be
100 recovered through the systems benefits charge. The cost of covering
101 any program loan that is not fully repaid by any such customer shall
102 be considered a cost incurred by such company in administering such
103 program.

104 (5) Each eligible residential retail end use customer participating in
105 such program who defaults on any program loan shall be subject to
106 termination of electric service by the electric distribution company
107 administering the program, provided such termination of service does
108 not violate any provision of section 16-262c, except such termination
109 shall not apply to (1) any customer with a household member who is at
110 least sixty years old and whose income and assets do not exceed the
111 limits for eligibility in any energy assistance program administered

112 pursuant to section 16-41a, or (2) any customer that rents such
113 customer's dwelling.

114 (6) Any program loan shall be included in the program loan
115 recipient's residential electric service account for the premises on
116 which any replacement furnace, boiler or electric heating system
117 component is located and shall be transferable to subsequent electric
118 service account holders, provided any such subsequent electric service
119 account holder, prior to contracting to acquire the premises, has
120 written notice of such loan, in language such subsequent account
121 holder understands, that meets the plain language standards of section
122 42-152, and includes the following information: (A) That such
123 subsequent account holder is liable for the loan during such
124 subsequent account holder's occupancy of the premises, (B) the
125 amount of monthly loan payments, (C) that the loan shall be collected
126 through a monthly electric bill specifying the month the loan is to be
127 repaid, (D) that the loan payment is in addition to any charges for
128 electric service, and (E) that failure to make any monthly loan payment
129 may result in termination of electric service, except if (i) such
130 subsequent account holder has a household member who is at least
131 sixty years old and a household income and assets that do not exceed
132 the limits for eligibility for any energy assistance program
133 administered pursuant to section 16a-41a, or (ii) such subsequent
134 account holder is renting the premises. Each electric distribution
135 company shall be entitled to take such action as required to secure the
136 amount of a program loan, including, but not limited to, attaching
137 liens and requiring filings to be made on applicable land records or as
138 otherwise necessary or required.

139 (7) For the purpose of any energy assistance program administered
140 pursuant to section 16a-41a, a loan recipient's monthly loan obligations
141 under the program administered pursuant to this subsection shall be
142 considered (A) primary heat deliverable fuel costs if such recipient's
143 household's primary heat source is a deliverable fuel, or (B) the cost of
144 primary heat utility service if such recipient's household's primary
145 heat source is provided by an electric distribution or gas company, and

146 shall be eligible for benefit coverage. If such loan recipient's primary
 147 heating source is provided by a gas company or a deliverable fuel
 148 source, such loan recipient shall determine the portion of any energy
 149 assistance basic benefit to be applied to such loan recipient's electric
 150 bill for loan repayment and the portion to be applied to such loan
 151 recipient's primary heating source provider. If a loan recipient's
 152 primary heating source is provided by a gas company, the energy
 153 assistance program administrator shall notify such company of the
 154 amount of energy assistance basic benefit applied to such loan
 155 recipient's electric distribution company for loan repayment and such
 156 electric distribution company shall notify such gas company of any
 157 payment made by or on behalf of such gas customer that is applied to
 158 the loan repayment.

159 (8) For the purpose of any electric distribution company or gas
 160 company payment program deduction for any program administered
 161 pursuant to subdivision (4), (5) or (6) of subsection (b) of section 16-
 162 262c, any monthly loan payment made under the loan program
 163 established pursuant to this subsection shall be considered an energy
 164 assistance payment made to the company providing the primary
 165 heating source to such loan recipient."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>from passage</i>	16a-46h
Sec. 502	<i>from passage</i>	16-243v